

NSC BRIEFING

11 April 1953

COMMUNIST CHINA

- I. Leadership one of the most self-assured in bloc.
 - A. Mao crows that "the east wind is prevailing over the west wind."
 - B. Regime has intimidated last year's critics.
 - C. Peiping now poised for "giant leap forward" in economic development.
- II. Soviet missile successes gave important morale lift to Peiping, buttressing its belief in wisdom of Sino-Soviet alliance.
 - A. Chinese hailed Soviet achievements as "turning point" in the East-West race.
 - B. In Moscow last November, Mao indicated he supported Khrushchev in latter's bid for leadership.
 - C. Mao sided more generally with Russians rather than with Poles on intra-bloc relations.
 - D. Chinese delegations in Moscow at that time probably exerted pressure on Moscow for obtaining advanced weapons.
- III. Peiping energetically pushing for international acceptance.
 - A. Chinese troops being withdrawn from Korea as promised.
 - B. Peiping calls for international meetings requiring Chinese Communist participation, e.g., conference on Korea, collective peace pact for Asia, Asian atom-free zone.
 1. Peiping interested in participating in Summit conference, but not demanding it.

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- C. Peiping skillfully exploits trade issue to draw other countries into official relations.
 - 1. Sino-Japanese trade agreement provided for permanent Peiping trade office in Tokyo with right to fly flag.
- D. Peiping promotes impression of dynamic China by its ability to extend aid to other underdeveloped countries.
 - 1. Grants to bloc countries (North Korea, North Vietnam, Outer Mongolia, and Hungary) total \$740,000,000.
 - 2. Grants and loans to nonbloc countries (Ceylon, Cambodia, Indonesia, Yemen, Nepal, Egypt, and Burma) total over \$100,000,000.
- E. Peiping's talk of "liberating" Taiwan has dropped off.
 - 1. But it still insists that Taiwan belongs to Communist China. Adamantly rejects "two China's" solutions.
 - 2. Charges US encourages "two China's" concept as way out of its China policy impasse.
 - 3. Chou En-lai stated privately Peiping would refuse UN membership if Nationalists also represented.
- IV. Domestic policy marked by reversion to hard line after short-lived liberalization experiment in first part of 1957.
 - A. Fervor of criticisms by intellectuals suprised regime.
 - B. Regime reacted by campaign of intimidation but no mass executions.
 - C. Government shakeup resulted in ousters of non-Communist critics, including three men at cabinet level.
 - D. Party purge now under way expected to expel up to five percent of membership.

- V. Peiping has redoubled effort in mass indoctrination. Adoption of phonetic alphabet is step with long-run significance.
 - A. Campaign will not be completed in near future.
 - B. But regime intends to push relentlessly for eventual wide use of Latin alphabet to replace complicated ideographs.
 - C. This will help Chicombs lick problem of illiteracy.
 - D. It will promote national unity and simplify administration.
- VI. Overt resistance to regime virtually disappeared.
 - A. Ethnic minorities--notably Tibetans--are the exceptions.
 - B. However minority dissidence does not require large scale military operations. Minorities inhabit vast area but are few in number--only 6% of the population.
 - C. Private enterprise in towns virtually eliminated.
 - D. Bulk of peasantry has accepted collectivization despite disillusionment with promises of better living.
- VII. On economic front, Peiping has just celebrated the "triumphant materialization" of First Five Year Plan (1953-1957).
 - A. Plan targets by and large achieved, petroleum and edible oils being principal exceptions.
 - B. Many new items--trucks, jet and conventional aircraft, naval vessels--were produced for first time in China.
- VIII. Draft of Second Five Year Plan not yet completed, but indications are that tentative targets already being upped.
 - A. Slogan is to surpass UK in output of steel and other industrial products in 15 years or less.
 - B. Plans for current year are ambitious, yet Peiping already extracting pladges of substantial overfulfillment.

- IX. Regime seems increasingly cognizant of population growth as impediment to rapid industrialization.
- A. Regime finds itself forced to divert investment funds to agriculture--is investing 40% more in agriculture this year than last (although still only 14% of total investment).
 - B. Investment in industries supporting agriculture up sharply.
 - C. Despite ideological antipathy to Malthusian theory, Peiping now urging birth control, but not yet forcefully enough to arrest rapid population growth.
- X. Peiping's prospects heartening to bloc.
- A. Chinese Titoism improbable in foreseeable future. Moscow alert to Chinese sensibilities, and Peiping highly vocal in endorsement of USSR.
 - B. With or without formal diplomatic recognition, Peiping will expand official relations with other countries.
 - C. Regime's control over population should be further consolidated.
 - 1. Mao's death could result in struggle for succession, but collegial leadership will probably govern initially.
 - 2. Liu Shao-chi (#2 man in party) and Chou En-lai (premier) are now top figures after Mao; but watch Teng Hsiao-ping (secretary general of party) who has come up rapidly. Defense Minister Peng Te-huai also powerful.
 - D. Economy should do as well under Second Five Year Plan as under first. Agricultural production is expected at least to keep pace with population increase.